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**SENATE CS FOR CS FOR HOUSE BILL NO. 28(EDC)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES STORY, Fields, Hall, Himschoot, Galvin, Dibert, Josephson

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to education; relating to reports regarding correspondence study**  
2 **programs; relating to correspondence study program materials; relating to student**  
3 **transportation funding; relating to reemploying retired members of the teachers'**  
4 **retirement system at regional resource centers; requiring the Legislative Budget and**  
5 **Audit Committee to procure an education funding study; establishing a teachers'**  
6 **student loan repayment pilot program; relating to school energy cost relief payments;**  
7 **relating to reading proficiency incentive grants; relating to the use of tax revenue from**  
8 **highly digitized businesses; relating to secondary school vocational and technical**  
9 **instruction funding; providing for an effective date by amending the effective date of**  
10 **secs. 10, 11, 13, and 15, ch. 5, SLA 2025; and providing for an effective date."**

11 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

12 \* **Section 1.** AS 14.03.120 is amended by adding a new subsection to read:

1 (I) A district shall annually file with the department and make available to the  
2 public by November 1 each year, a report regarding correspondence study programs  
3 operated by the district during the previous school year that includes

4 (1) the total administrative expenditures for the correspondence study  
5 program, including expenditures toward real estate or facility rentals located outside of  
6 the school district, promotional materials and services, and personnel information that  
7 is disaggregated by classification;

8 (2) the total number of students enrolled in the correspondence study  
9 program on May 1 of the year, disaggregated by grade level;

10 (3) the demographic information of enrolled students, including the  
11 community of residence for each student;

12 (4) the amount of allotment funding authorized under AS 14.03.310  
13 designated for each student, disaggregated by grade;

14 (5) a categorical accounting of allotment expenditures, including  
15 curriculum and instructional materials; technology hardware, computer software, and  
16 streaming services; tutoring and academic instruction services; tuition and fees to  
17 postsecondary education institutions; physical education and extracurricular activities;  
18 and travel and cultural activities;

19 (6) the number and disaggregated value of allotment expenditures  
20 reviewed and denied by the district, including the reason for denial;

21 (7) the total value of carried forward allotment funds at year-end,  
22 including the average carried forward amount for each grade level.

23 \* **Sec. 2.** AS 14.03.300 is amended by adding a new subsection to read:

24 (c) A student who ceases to be enrolled in a correspondence study program  
25 operated by a school district may retain textbooks, equipment, and other curriculum  
26 materials provided to the student through the program, including materials purchased  
27 through an annual student allotment provided to a parent or guardian of the student  
28 under AS 14.03.310, if the textbook, equipment, or material is of the type that a  
29 student may retain when the student ceases to be enrolled in a physical school in the  
30 district.

31 \* **Sec. 3.** AS 14.07.168 is amended to read:

1           **Sec. 14.07.168. Report to the legislature.** Not later than the 30th legislative  
 2 day of each regular session of the legislature, the board shall prepare and present in  
 3 person to the legislative committees having jurisdiction over education an annual  
 4 report that describes the efforts of the board to develop, maintain, and continuously  
 5 improve a comprehensive quality public education system, as provided for under the  
 6 bylaws of the board. The report must include

7                   (1) a summary of the resolves and rationales provided in support of  
 8 policy decisions made under AS 14.03.015;

9                   (2) program and curriculum changes made, discussed, or  
 10 recommended in meetings held under AS 14.07.125;

11                   (3) additional information relevant to efforts made to improve and  
 12 maintain the public education system;

13                   (4) a summary of implementation and utilization of the consortium  
 14 established under AS 14.30.800, including a review of consortium effectiveness and  
 15 the participation rates of districts, teachers, and students;

16                   **(5) information reported to the department regarding**  
 17 **correspondence study programs as required under AS 14.03.120(I).**

18 \* **Sec. 4.** AS 14.09.010(a) is amended to read:

19           (a) A school district that provides student transportation services for the  
 20 transportation of students who reside a distance from established schools is eligible to  
 21 receive funding for operating or subcontracting the operation of the transportation  
 22 system for students to and from the schools within the student's transportation service  
 23 area. Subject to appropriation, the amount of funding provided by the state for  
 24 operating the student transportation system is the amount of a school district's ADM,  
 25 less the ADM for the district's correspondence programs during the current fiscal year,  
 26 multiplied by the per student amount for the school district as follows, for the school  
 27 years beginning July 1, **2026** [2025]:

DISTRICT	PER STUDENT AMOUNT
Alaska Gateway	<b><u>\$2,782</u></b> [\$2,529]
Aleutians East	<b><u>415</u></b> [377]
Anchorage	<b><u>582</u></b> [529]

1	Annette Island	<u>244</u> [221]
2	Bering Strait	<u>65</u> [59]
3	Bristol Bay	<u>3,572</u> [3,247]
4	Chatham	<u>375</u> [341]
5	Copper River	<u>2,121</u> [1,928]
6	Cordova	<u>449</u> [408]
7	Craig	<u>566</u> [514]
8	Delta/Greely	<u>2,214</u> [2,013]
9	Denali	<u>2,417</u> [2,197]
10	Dillingham	<u>1,628</u> [1,480]
11	Fairbanks	<u>1,092</u> [992]
12	Galena	<u>340</u> [309]
13	Haines	<u>838</u> [761]
14	Hoonah	<u>399</u> [363]
15	Iditarod	<u>283</u> [257]
16	Juneau	<u>806</u> [733]
17	Kake	<u>363</u> [330]
18	Kashunamiut	<u>7</u> [6]
19	Kenai Peninsula	<u>1,224</u> [1,112[
20	Ketchikan	<u>971</u> [833]
21	Klawock	<u>781</u> [710]
22	Kodiak Island	<u>1,068</u> [971]
23	Kuspuk	<u>874</u> [794]
24	Lake and Peninsula	<u>513</u> [466]
25	Lower Kuskokwim	<u>371</u> [337]
26	Lower Yukon	1
27	Matanuska-Susitna	<u>1,217</u> [1,106]
28	Nenana	<u>785</u> [714]
29	Nome	<u>831</u> [755]
30	North Slope	<u>1,497</u> [1,361]
31	Northwest Arctic	<u>33</u> [30]

1	Pelican	<u>97</u> [88]
2	Petersburg	<u>501</u> [455]
3	Saint Mary's	<u>257</u> [234]
4	Sitka	<u>572</u> [520]
5	Skagway	<u>48</u> [44]
6	Southeast Island	<u>1,545</u> [1,404]
7	Southwest Region	<u>799</u> [726]
8	Unalaska	<u>867</u> [788]
9	Valdez	<u>983</u> [894]
10	Wrangell	<u>937</u> [851]
11	Yakutat	<u>994</u> [904]
12	Yukon Flats	<u>354</u> [321]
13	Yukon/Koyukuk	<u>400</u> [364]
14	Yupiit	<u>3</u> [2].

15 \* **Sec. 5.** AS 14.20.136(a) is amended to read:

16 (a) Subject to (b) - (d) of this section, a school district **or regional resource**  
 17 **center established under AS 14.12.150** may reemploy a member who is retired under  
 18 a retirement plan established in AS 14.25.009 - 14.25.220, or a member who is retired  
 19 under a retirement plan established in AS 14.25.310 - 14.25.590. In this subsection,  
 20 "school district" has the meaning given in AS 14.30.350.

21 \* **Sec. 6.** AS 14.20.136(b) is amended to read:

22 (b) A member who is retired under AS 14.25.110(a) may not be reemployed  
 23 under (a) of this section unless the member

24 (1) certifies that the member and the school district **or regional**  
 25 **resource center** did not arrange before the member retired from the school district **or**  
 26 **regional resource center** for the member to be reemployed by the school district **or**  
 27 **regional resource center** after the member retired; and

28 (2) has been retired for at least

29 (A) 60 days if the member is at least 62 years of age; or

30 (B) six months if the member is less than 62 years of age.

31 \* **Sec. 7.** AS 14.20.136(c) is amended to read:

1 (c) Before reemploying a retired member under (a) of this section to fill a  
2 position, a school district **or regional resource center** shall

3 (1) by resolution, adopt a policy that describes the circumstances of a  
4 shortage or anticipated shortage of applicants, other than retired members, who are  
5 qualified for particular positions and permits rehiring that complies with the  
6 requirements of this section; and

7 (2) publicly advertise the position for 10 business days and actively  
8 recruit to fill the position by hiring a person other than a member who is retired.

9 \* **Sec. 8.** AS 14.20.136(e) is amended to read:

10 (e) A school district **or regional resource center** that reemploys a member  
11 under this section who is retired under the defined benefit retirement plan established  
12 in AS 14.25.009 - 14.25.220 is required to

13 (1) provide the administrator with

14 (A) a copy of the resolution and policy adopted under (c) of  
15 this section; and

16 (B) for every retired member who is rehired, a report  
17 identifying the member by name and describing the

18 (i) circumstances of the shortage that necessitated the  
19 rehire; and

20 (ii) actions taken by the school district **or regional**  
21 **resource center** to comply with [SCHOOL DISTRICT] policy adopted  
22 under (c) of this section and the requirements of this section; and

23 (2) make contributions under AS 14.25.070.

24 \* **Sec. 9.** AS 14.25.043(f) is amended to read:

25 (f) If a member who retired under AS 14.25.110(a) is reemployed by a school  
26 district **or regional resource center** under AS 14.20.136,

27 (1) the member does not become an active member;

28 (2) the member shall continue to receive retirement benefits from the  
29 plan as though the member were not reemployed by the school district **or regional**  
30 **resource center**;

31 (3) deductions from the member's salary may not be made under

AS 14.25.050; and

(4) the member may not receive credited service in the plan during the period of reemployment.

\* **Sec. 10.** AS 14.25.043(g) is amended to read:

(g) Notwithstanding (f) of this section, a member who is retired under AS 14.25.110(a) and reemployed by a school district **or regional resource center** under AS 14.20.136 is eligible to receive the group health plan coverage provided to active members employed by that school district **or regional resource center**.

\* **Sec. 11.** Section 19, ch. 5, SLA 2025, is repealed.

\* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE BUDGET AND AUDIT COMMITTEE STUDY OF PUBLIC SCHOOL FUNDING. The Legislative Budget and Audit Committee shall procure a study to be completed not later than January 1, 2027, by an entity or entities with expertise in school finance to evaluate the current education funding provisions and either recommend changes to the current funding provisions or recommend alternative methods of education funding. The study must

(1) be produced in consultation with the Institute of Social and Economic Research at the University of Alaska Anchorage; and

(2) include consideration of

(A) stable and predictable funding for basic education needs and an ancillary system of providing funding above basic education needs;

(B) geographic location and specific student subpopulations, as appropriate;

(C) appropriate proportions and mechanisms for state and local contributions to public school funding; and

(D) methods for funding alternative public school options, including charter schools, residential schools, and correspondence programs.

\* **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to read:

STUDENT LOAN REPAYMENT PILOT PROGRAM. (a) The Alaska Commission

1 on Postsecondary Education shall develop and administer a teachers' student loan repayment  
2 pilot program. A person applying for a grant must submit the application to the commission  
3 by a deadline established by the commission, on a form provided by the commission. Subject  
4 to appropriation, the commission may award a grant to a person who

5 (1) is employed as a full-time certificated teacher in a public school to teach  
6 special education, English as a second language, science, technology, engineering, or  
7 mathematics;

8 (2) has completed a postsecondary degree or certificate program;

9 (3) has an outstanding student loan as described in 26 U.S.C. 108(f)(2)  
10 incurred by the person for the degree or certificate program; and

11 (4) has otherwise exhausted all other federal and state student loan repayment  
12 programs for which the person is eligible.

13 (b) The commission shall

14 (1) establish an application process for participation in the program;

15 (2) implement policies to determine the efficacy of the program toward  
16 improving the recruitment and retention rates of teachers who receive a grant under this  
17 section; and

18 (3) evaluate the effects of the program on employee recruitment and retention  
19 for the purpose of preparing the report required under sec. 2 of this Act.

20 (c) The commission may require a person to refinance the outstanding student loan  
21 described in (a) of this section with the commission in order to participate in the program.

22 (d) Grants awarded under this section are payable upon completion of the person's  
23 contract term.

24 (e) The commission may award a grant to a person each year in an amount equal to  
25 one-third of the balance of the outstanding student loan owed by the person. A grant awarded  
26 to a person under this section may not exceed \$5,000 each year and may not be awarded for  
27 more than three years.

28 (f) Grants may be awarded under this section each fiscal year. The total dollar amount  
29 of grants awarded under this section may not exceed \$1,000,000 in a fiscal year. If the amount  
30 appropriated in a fiscal year is insufficient to meet the amounts awarded under (a) of this  
31 section, the commission shall reduce pro rata the amounts awarded by the necessary

1 percentage as determined by the commission.

2 (g) The commission may adopt regulations necessary to implement this section.

3 (h) In this section, "commission" means the Alaska Commission on Postsecondary  
4 Education.

5 \* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to  
6 read:

7 **PILOT PROGRAM: REPORT.** On or before December 31, 2028, the Alaska  
8 Commission on Postsecondary Education shall submit a report to the senate secretary and the  
9 chief clerk of the house of representatives and notify the legislature that the report is  
10 available. The report must include the effects of the student loan repayment pilot program  
11 under sec. 13 of this Act on teacher recruitment and retention and an analysis of the overall  
12 success rate and effectiveness of the student loan repayment pilot program thus far.

13 \* **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to  
14 read:

15 **ONE-TIME SCHOOL ENERGY COST RELIEF PAYMENT.** (a) Subject to  
16 appropriation, the Department of Education and Early Development shall distribute up to  
17 \$43,874,000 among school districts. A school district may use a distribution for any operating  
18 purpose. The amount the department distributes to a school district shall be proportional to the  
19 school district's share of total statewide reported energy expenditures. The department shall  
20 calculate the share by determining the quotient of the school district's actual expenditures for  
21 heating fuel and electricity for fiscal year 2025, as reflected in the Department of Education  
22 and Early Development's records, divided by the total actual expenditures of all school  
23 districts for heating fuel and electricity for fiscal year 2025, as reflected in the Department of  
24 Education and Early Development's records, multiplied by the total amount appropriated for  
25 payments under this section.

26 (b) The department shall distribute funds appropriated for payments under this section  
27 not later than 30 days after the funds become available.

28 \* **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to  
29 read:

30 **APPLICABILITY.** Sections 5 - 10 of this Act apply to contracts made on or after the  
31 effective date of this Act.

1 \* **Sec. 17.** Section 13 of this Act is repealed June 1, 2030.

2 \* **Sec. 18.** Section 14 of this Act is repealed January 1, 2029.

3 \* **Sec. 19.** Section 20, ch. 5, SLA 2025, is amended to read:

4           Sec. 20. **Sections** [IF SECS.] 10, 11, 13, and 15, **ch. 5, SLA 2025,** [OF THIS  
5 ACT] take effect **July 1, 2026** [, THEY TAKE EFFECT 181 DAYS AFTER THE  
6 EFFECTIVE DATE OF THE SECTION OF SB 113 OR A SUBSTANTIALLY  
7 SIMILAR BILL THAT EFFECTUATES THE SALES FACTOR, AS  
8 DETERMINED UNDER AS 43.19 (MULTISTATE TAX COMPACT), AS THE  
9 APPORTIONMENT FACTOR FOR HIGHLY DIGITIZED BUSINESSES].

10 \* **Sec. 20.** Section 4 of this Act takes effect July 1, 2026.

11 \* **Sec. 21.** Except as provided in sec. 20 of this Act, this Act takes effect immediately under  
12 AS 01.10.070(c).